

**Fire Protection District No. 4 of the
Parish of Pointe Coupee
Livonia & Fordoche, Louisiana**

**Annual Financial Report
Year Ended December 31, 2008**

**A Component Unit of the
Pointe Coupee Parish Police Jury**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/9/09

**FIRE PROTECTION DISTRICT NO 4 OF THE
PARISH OF POINTE COUPEE
LIVONIA & FORDOCHE, LOUISIANA**

GOVERNING BOARD

Charles Landry, Chairman
Donald Chenevert
Fred Gueho
Drake LaCombe
Jackie Johnson

Dale Bergeron, Fire Chief Livonia Station

Clevis Cormier, Fire Chief Fordoche Station

Meeting Date

Third Tuesday of Every Month

TABLE OF CONTENTS

	<u>Note</u>	<u>Page</u>
Independent Auditor's Report on the Financial Statements		1
Required Supplementary Information:		
Management's Discussion and Analysis		3
Basic Financial Statements:		
Government-wide -		
Statement of Net Assets		10
Statement of Activities		11
Governmental Funds -		
Balance Sheet		13
Statement of Revenues, Expenditures, and Changes in Fund Balances		14
Notes to the Financial Statements -		
Introduction	1	16
Summary of Significant Accounting Policies	2	16
Reporting Entity		16
Government-wide and Fund Financial Statements		16
Measurement Focus and Basis of Accounting		17
Assets, Liabilities, and Equity		17
Fund Equity Classifications		18
Use of Estimates		19
Budgetary Information		19
Cash and Investments	3	19
Capital Assets	4	20
Long-Term Debt	5	20
Ad Valorem Taxes	6	21
Pension Plan and Retirement Commitments	7	21
Risk Retention	8	22
Litigation and Claims	9	22
Compensation Paid to Board Members	10	22
Required Supplementary Information		
Budgetary Comparison Schedule - General Fund		25
Supplementary Information		
Taxable Property Valuations		29
Other Report Required by Government Auditing Standards		
Independent Auditor's Report on Internal Control and on Compliance and Other Matters		
Based on an Audit of the Basic Financial Statements Performed in Accordance with		
Government Auditing Standards		32
Schedule of Findings and Responses		34
Resolution of Prior Year Audit Findings and Responses		36
Management's Corrective Action Plan		37

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

(A Professional Corporation)

Practice Limited to Governmental Accounting, Auditing and Financial Reporting

Phone
OFFICE (225) 937-9735
FAX (225) 638-3669
E-mail gfdcpa@yahoo.com

Office
7663 ANCHOR DRIVE
VENTRESS, LA 70783-4120

Member
AMERICAN INSTITUTE OF CPAs
LOUISIANA SOCIETY OF CPAs
GOVERNMENT FINANCE
OFFICERS ASSOCIATION

Independent Auditor's Report on the Financial Statements

Board of Commissioners
Fire Protection District No. 4 of the
Parish of Pointe Coupee
Livonia & Fardoche, Louisiana

I have audited the accompanying financial statements of the governmental activities and each major fund of the FIRE PROTECTION DISTRICT NO. 4 OF THE PARISH OF POINTE COUPEE, LOUISIANA, (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of management of the Fire Protection District No. 4 of th Parish of Pointe Coupee, Louisiana. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and with provisions of Louisiana Revised Statute 24:513 and the provisions of the Louisiana Governmental Audit Guide. Those standards and the Guide require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of December 31, 2008, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated August 12, 2009, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis on pages 4 through 8, budgetary comparison information on page 25, and schedule of taxable valuations on page 29, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

George F. Delaune, CPA

August 12, 2009

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis (MD&A)

This narrative report has been prepared in an easy-to-read format by management. It provides an analytical overview of the District's financial activities for the year based on currently known facts and management's knowledge of the transactions, events, and conditions reflected in the financial report and the fiscal policies that control the District's operations.

Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana

**P. O. BOX 155
LIVONIA & FORDOCHE, LOUISIANA 70760**

INTRODUCTION

This annual report consists of -

- ◆ Our independent auditor's report on the financial statements in which he rendered an unqualified opinion.
- ◆ Management's discussion and analysis which provides in plain language an overview of our financial activities for the year.
- ◆ The basic financial statements which consists of government-wide financial statements, governmental fund financial statements, and the notes to those financial statements.
- ◆ The comparison of actual operations for the year compared to the budget.
- ◆ A schedule of taxable property valuations for the District which indicates the economic growth in the District since inception of the District in 1982.
- ◆ Our independent auditor's report on the District's compliance with laws and regulations and how management applied internal controls over its financial operations. The result of his tests and observations disclosed one deficiency that affected our operations which led to one noncompliance violation of Louisiana Revised Statutes. This deficiency has been corrected and we believe that our audit will be filed on time in compliance with Louisiana Revised Statutes for the next year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana, we are pleased to provide an overview of our financial activities for the year ended December 31, 2008. The intended purpose of the Management Discussion and Analysis (MD&A) is to provide an introduction to the basic financial statements and notes, that provides an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions, by providing an easily readable summary of operating results and reasons for changes, which will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities the sources, uses, and changes in resources, adherence to budget, service levels, limitations significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior years data in this analysis we will be drawing upon information from last year's audited financial report.

Financial Highlights

- The District's net assets decreased by \$18,248 from \$1,793,369 in 2007 to \$1,775,121 in 2008.
- Ad valorem taxes increased from \$332,663 to \$336,066.
- Revenues from the quarter cent sales tax decreased from \$175,758 to \$166,617.
- Cash increased by \$82,327 for the year ended December 31, 2008.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements, presented on pages 10 and 11, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The District's Government-wide Financial Statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District's sole operation of fire protection is classified as governmental activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund which is categorized as a governmental fund.

Governmental Funds. Governmental funds, presented on pages 13 thru 15, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget. A budgetary comparison schedule has been provided for the District's operations to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes, presented on pages 16 thru 22, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary control, on page 25. A tabulation of taxable property valuations is presented on page 29 as supplementary information to assist the reader in understanding the economic growth of the District and the effect it has on operations and fire protection ratings.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. At the end of the most recent year, the assets of the District exceeded its liabilities by \$1,775,121.

The District's net assets are mainly composed of \$1,136,686 (64.03%) investment in capital assets (land, buildings, vehicles and equipment, etc.). The District uses these capital assets to provide fire protection services to residents and businesses that encompasses the area from Parlange Lane (Hwy 78) north along the west side of False River to the Mississippi Levee near Waterloo Subdivision and includes all the property within the City of New Roads; consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net assets, \$638,435, may be used to meet the District's future operations

NET ASSETS

	2008	2007	% Change
Current and other assets	\$ 729,699	\$ 635,978	14.74%
Capital assets	1,235,723	1,324,738	-6.72%
Total assets	<u>1,965,422</u>	<u>1,960,716</u>	0.24%
Current and other liabilities	91,264	19,683	363.67%
Noncurrent liabilities	99,037	147,664	-32.93%
Total liabilities	<u>190,301</u>	<u>167,347</u>	13.72%
Net assets -			
Invested in capital assets	1,136,686	1,177,074	-3.43%
Unrestricted	638,435	616,295	3.59%
Total net assets	<u>\$ 1,775,121</u>	<u>\$ 1,793,369</u>	-1.02%

The District's total revenues increased by \$6,584 from \$556,427 in 2007 to \$563,011 in 2008.

Total expenses increased by \$86,898 from \$494,361 in 2007 to \$581,259 in 2008. From the proceeds of the sales tax revenues the District spent \$156,358 in salaries for full-time firemen to man the fire stations for the protection of the District.

CHANGES IN NET ASSETS

	2008	2007	% Change
Revenues:			
Taxes	\$ 502,683	\$ 508,421	-1.13%
Intergovernmental revenues	22,729	41,518	-45.26%
Interest earned and other revenues	37,599	6,488	479.52%
Total revenues	<u>563,011</u>	<u>556,427</u>	1.18%
Expenses:			
Operating	417,684	331,149	26.13%
Depreciation	163,575	163,212	0.22%
Total expenses	<u>581,259</u>	<u>494,361</u>	17.58%
Change in net assets	<u>\$ (18,248)</u>	<u>\$ 62,066</u>	-129.40%

GOVERNMENTAL FUND FINANCIAL ANALYSIS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As a measure of the District's liquidity, it may be useful to compare unreserved fund balance to total expenditures which amounts to 109.83% of total expenditures.

The fund balance of the District increased by \$22,140 during the current year.

BUDGETARY HIGHLIGHTS

The District's annual budget is the legally adopted expenditure control document of the District. A budgetary comparison statement is required and can be found on page 25. This statement compares the original adopted budget, the budget if amended throughout the year, and the actual expenditures prepared on a budgetary basis. The District was amended twice during the year.

Actual revenues of \$563,012, on a budgetary basis, exceeded budgeted revenues of \$542,400 by \$20,612 while budgetary basis actual expenditures of \$540,872 was below budgeted expenditures of \$578,053 by \$37,181.

CAPITAL ASSETS

At December 31, 2008 and 2007, the District had \$1,235,723 and \$1,324,739, respectively, invested in a broad range of capital assets, including land, buildings, vehicles, and equipment. Further detail on capital assets is presented in Note 4 on page 20.

During the preceding year, the District purchased land for the future construction of a new fire station. The building will be large enough to be a multi-use center as well as being able to hold driver training classes. The District has applied for a grant to build the new station and multi-use center estimated at \$4,000,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District serves a population estimated at over 4,500 and two incorporated areas - Fardoche and Livonia. With the passage of a .25% sales tax in 2007, the District has attained a IRC In Rating of 3 and a IRC Out Rating of 4. The attainment of these low ratings brings increased operating costs and new requirements mandated by the State Fire Marshall made it necessary for management to consider these factors in making future budget projections. Consequently, management has projected budget operations to December 31, 2009 the end of the current ad valorem tax levy. Such long range projections assist management in evaluating new acquisitions or replacements to keep the fire insurance rating at a level that will return fire protection and an economic benefit to its taxpayers.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. If you have questions about this report or need additional financial information, contact Bridget Bergeron, Secretary of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana at (225) 637-4830.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements
 - Governmental Fund - General Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF NET ASSETS
December 31, 2008

ASSETS	Governmental Activities
Cash	\$ 363,107
Receivables -	
Ad valorem	347,040
Sales	17,039
State revenue sharing	2,513
Capital assets, net of accumulated depreciation:	
Land	131,000
Buildings	395,625
Firefighting equipment and tools	160,945
Fire hydrants and water supply lines	65,707
Radios and paging equipment	162,080
Vehicles	300,487
Medical equipment	2,266
Furniture, fixtures, and equipment	17,613
Total Assets	<u>1,965,422</u>
LIABILITIES	
Accounts payable	24,772
Accrued wages payable	1,246
Payroll taxes payable	49,999
Amount due retirement system	14,989
Due to other governmental units	258
Noncurrent liabilities:	
Due within one year	51,173
Due in more than one year	47,864
Total Liabilities	<u>190,301</u>
NET ASSETS	
Invested in capital assets	1,136,686
Unrestricted	638,435
Total Net Assets	<u>\$ 1,775,121</u>

The accompanying notes are an integral part of this statement.
FIRE PROTECTION DISTRICT NO. 4 OF THE

PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF ACTIVITIES
Year Ended December 31, 2008

	Expenses	Program Revenues			Net Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities: Public safety	\$ 581,259				\$ (581,259)
Total Governmental Activities	<u>\$ 581,259</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(581,259)</u>

General Revenues:

Taxes:	
Property tax, levied for fire protection	336,066
Sales	166,617
General intergovernmental revenues	22,729
Interest earnings	6,678
Other	30,921
Total General Revenues	<u>563,011</u>
Change in Net Assets	(18,248)
Net Assets at Beginning of Year	<u>1,793,369</u>
Net Assets at End of Year	<u>\$ 1,775,121</u>

The accompanying notes are an integral part of this statement.

THIS PAGE INTENTIONALLY LEFT BLANK

FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
December 31, 2008

ASSETS		
Cash		\$ 363,107
Receivables -		
Ad valorem		347,040
Sales		17,039
State revenue sharing		<u>2,513</u>
Total Assets		<u>\$ 729,699</u>

LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable		\$ 24,772
Accrued wages payable		1,246
Payroll taxes payable		49,999
Amount due retirement system		14,989
Due to other governmental units -		
Fire District No. 2 of Pointe Coupee		<u>258</u>
Total Liabilities		<u>91,264</u>
Fund Balances:		
Unrestricted		<u>638,435</u>
Total Fund Balances		<u>638,435</u>
Total Liabilities and Fund Balances		<u>\$ 729,699</u>

Reconciliation of the Statement of Net Assets of Governmental Funds to the Balance Sheet:

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance per balance sheet	\$ 638,435
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,235,723
Long-term liabilities of governmental funds, including capital leases and notes payable are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(99,037)</u>
Net assets of governmental activities	<u>\$ 1,775,121</u>

The accompanying notes are an integral part of this statement.
FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND - GENERAL FUND
For the Year Ended December 31, 2008

Revenues		
Taxes -		
Ad valorem	\$	336,066
Sales		166,617
Intergovernmental revenues -		
Grants		
State fire insurance rebate		14,494
State revenue sharing		8,235
Miscellaneous revenues -		
Interest earned		6,678
Other		30,922
Total Revenues		<u>563,012</u>
Expenditures		
Current operations -		
Salary - secretary/accountant		3,900
Salary - firemen		156,358
Payroll taxes		12,164
Professional fees		15,613
Tax collector fees		14,989
Contract labor		391
Vehicle maintenance		44,025
Firefighting equipment maintenance		14,406
Radios and pagers maintenance		1,582
Building maintenance		12,035
Uniforms and protective gear		15,989
Supplies and small tools		7,814
Medical supplies		6,013
Utilities		9,613
Telephone and internet service		5,020
Insurance		54,576
Training and fire prevention		23,779
Supplies, postage and printing		6,099
All others		5,345
Capital outlays -		
Land		25,000
Furniture, fixtures, and equipment		2,662
Radios and paging equipment		20,376
Firefighting equipment and tools		17,045
Rescue equipment		1,975
Fire hydrants and water supply lines		7,500
Debt service -		
Principal retirement		48,627
Interest expense		7,976
Total Expenditures		<u>540,872</u>
Excess of Revenues (Expenditures)		22,140
Fund Balance - beginning of year		616,295
Fund Balance - End of Year	\$	<u><u>638,435</u></u>

The accompanying notes are an integral part of this statement.
FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND - GENERAL FUND
For the Year Ended December 31, 2008

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities
are different because:

Net change in fund balance - total governmental funds	\$	22,140
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This the amount by which depreciation (\$163,574) exceeded capital outlays (\$74,558) in the current period.		(89,016)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Specifically, these items are as follows:		
Debt payments	48,627	48,627
Change in net assets of governmental activities	\$	<u>(18,249)</u>

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - INTRODUCTION

The Fire Protection District No. 4 of the Parish of Pointe Coupee (the "District") was created by a resolution of the Pointe Coupee Parish Police Jury in 1981. The District operates under a commission form of government and provides fire protection services to all the territory situated within the limits of Pointe Coupee Election Districts 10 and 11, as said Election Districts were constituted in 1981, be and the same was created in accordance with the authority of LRS 40:1494, and Article VI, Section 19 of the Constitution of the State of Louisiana for the year 1974 and other constitutional and statutory authority supplemental thereto and Local Services Agreements entered into by this Police Jury, the Mayor and Board of Aldermen of the Town of Livonia, Louisiana, and the Mayor and Board of Aldermen of the Town of Fordoche, Louisiana.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

As stated previously, the District was created by a resolution of the Pointe Coupee Parish Police Jury in 1981 and is body politic and corporate and a political subdivision of the Pointe Coupee Parish Police Jury.

In accordance with LRS 40:1494, the District is managed by a board of five commissioners. Two commissioners are appointed by the Pointe Coupee Parish Police Jury, one appointed by the Town of Livonia, and one appointed by the Town of Fordoche. These four commissioners then appoint the fifth to act as chairperson.

In accordance with the requirements of Statement No. 14, The Financial Reporting Entity, of the Governmental Accounting Standards Board (GASB), the financial statements must present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model as defined by GASB Statement No. 34 the focus is either the District as a whole or major individual funds (within the fund financial statements).

The government-wide statements of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. Program revenues include [1] charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, [2] grants and contributions that are restricted to meeting the operational requirements of a particular function or activity and [3] grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, intergovernmental revenues, interest income, etc.).

Separate fund based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund and capital projects fund. GASB Statement No. 34 sets forth minimum

FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the combining section of the statements.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues availability period is generally considered to be one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

Ad valorem tax revenues in the General Fund are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The following major fund is used by the District in its governmental funds:

- General Fund accounts for the District's primary public safety service and is the primary operating unit of the District.

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Assets.

Assets, Liabilities, and Equity

Cash and Investments

Cash and cash equivalents include demand deposits and money market accounts. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with a bank organized under Louisiana law, or of any other state of the United States, or under the laws of the United States.

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

State statutes authorize the District to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

Cash deposits are reported at carrying amount which reasonably estimates fair value.

Receivables

Receivables consist of all revenues earned at year-end and not yet received.

Inventories

Inventories for supplies are immaterial and are recorded as expenses when purchased.

Capital Assets, Depreciation, and Amortization

The District's property and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The District generally capitalizes assets with cost of \$500 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Uniforms and protective gear which are susceptible to excessive wear and tear and fire code regulations are expense when incurred.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Capital assets are depreciated using the straight-line method over the estimated useful lives, in years, for depreciable assets as follows:

Building	40 Years
Vehicles	15 Years
Firefighting equipment and tools	10 Years
Radios and paging equipment	10 Years
Fire hydrants and water supply lines	25 Years
Furniture, fixtures, and office equipment	5 & 12 Years

Long-Term Liabilities

In the government-wide financial statements long-term debt is reported as liabilities in the applicable governmental activities statement of net assets.

In the governmental funds financial statements, the face amount of debt is reported as other financing sources. Interest and principal payments are reported as debt service expenditures.

Fund Equity Classifications

Equity is classified as net assets and displayed in three components:

FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt." Management has approved the following designations by management:

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Information

Policy and Practice

The Chairman submits an annual budget for the General Fund by Fire Station to the Board in accordance with the Louisiana Local Government Budget Act. The budget is presented to the Board for review, and public hearings are held to address the proposed appropriations. Once approved and adopted by the Board, the Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Basis of Budgeting

The General Fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by function. Budget revisions at this level are subject to final review by the Board. The legal level of control is by function within the General Fund. Expenditures may not exceed appropriations at this level. Revisions to the budget were made throughout the year.

The General Fund budget is prepared on the modified accrual basis. The budget and actual financial statement is reported on this basis. Unencumbered appropriations for annually budgeted funds lapse at fiscal year end.

NOTE 3 - CASH AND INVESTMENTS

At December 31, 2008, the status of deposited funds and collateralized balances are as follows:

Demand deposits and certificates of deposit	\$ 340,820
Secured by federal deposit insurance	340,820
Pledge of securities	<u>0</u>
Unsecured/uncollateralized	<u>\$ 0</u>

Cash and investments are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

Investments held at December 31, 2008 consist of \$33,059 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2008 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 4 - CAPITAL ASSETS

A summary of changes in general fixed assets follows:

	1-1-2008	Increases	Decreases	12-31-2008
Capital Assets not being depreciated:				
Land	\$ 106,000	\$ 25,000		\$ 131,000
Other capital assets:				
Buildings	529,249			529,249
Vehicles	1,146,718			1,146,718
Fire fighting equipment and tools	407,815	19,020	\$ (10,918)	415,917
Radios and paging equipment	375,962	20,376		396,338
Medical equipment	40,057			40,057
Furniture, fixtures, and equipment	43,245	2,662	(3,256)	42,651
Fire hydrants & water supply lines	107,915	7,500		115,415
Total other capital assets at historical cost	2,650,962	49,558	(14,174)	2,686,345
Less: Accumulated depreciation for -				
Buildings	(120,385)	(13,239)		(133,624)
Vehicles	(784,036)	(62,195)		(846,231)
Fire fighting equipment and tools	(231,360)	(34,529)	10,918	(254,971)
Radios and paging equipment	(195,449)	(38,809)		(234,258)
Medical equipment	(36,659)	(1,133)		(37,792)
Furniture, fixtures, and equipment	(20,546)	(7,749)	3,256	(25,038)
Fire hydrants & water supply line	(43,787)	(5,921)		(49,708)
Total accumulated depreciation	(1,432,223)	(163,575)	14,174	(1,581,622)
Governmental activities capital assets, net	\$ 1,324,739	\$ (89,017)	\$ 0	\$ 1,235,723

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in governmental activities long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2008:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Certificates of indebtedness:					
\$75,500 Series 2007	\$ 75,500		\$ (13,423)	\$ 62,077	\$ 14,213
Capital lease obligations:					
Federal Signal Leasing	72,184		(35,204)	36,980	36,980
Total Governmental Activities	\$ 147,684	\$ 0	\$ (48,627)	\$ 99,057	\$ 51,193

The debt outstanding at December 31, 2008 is as follows:

Certificates of Indebtedness -

On October 10, 2007, the District issued certificates of deposit to finance the purchase of land in the amount of \$75,500 which matures on June 1, 2012. Annual installments of \$17,870.16 which includes interest at the rate of 5.891% \$ 62,077

Federal Signal Leasing -

On July 29, 2002, the District entered into a capital lease for the purchase of a fire truck in the amount of \$225,020.00 which matures on July 29, 2009. Annual installments of \$38,733.03 which includes interest at the rate of 4.89% 36,980
\$ 99,037

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

The annual debt service including interest of \$19,153 is as follows:

Year	Government Capital Corporation	Federal Signal Leasing	Total
2009	\$ 14,213	\$ 36,960	\$ 51,173
2010	15,051		15,051
2011	15,937		15,937
2012	16,876		16,876
	<u>\$ 62,077</u>	<u>\$ 36,960</u>	<u>\$ 99,037</u>

NOTE 6 - AD VALOREM TAXES

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 10% of "use" value; and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax District. The assessor is required to re-appraise all property very four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Parish. By agreement, the Sheriff receives a commission of approximately 4.23%.

The millage rates are adopted in late October. The taxes are levied and notices are mailed out in mid November of the year. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date of December 31, the taxes bear interest at one and one-fourth percent (1.25%) per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are usually collected in November and December of the year. Any amounts not collected at December 31 are shown as accounts receivable.

For the year ended December 31, 2008, taxes of \$347,039.98 were levied on property with assessed valuations totaling \$38,094,363 at the rate of 9.11 mills for the purpose of maintaining and operating the District's fire protection facilities, for purchasing fire trucks and other fire fighting equipment and paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service and for the purpose of paying the cost of acquiring, improving, or constructing fire protection facilities of the Fire Protection District, constituting works of public improvement, title to which shall be in the public.

NOTE 7 - PENSION PLAN AND RETIREMENT COMMITMENTS

The District has no pension plan or retirement commitments.

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 - RISK RETENTION

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee medical insurance; and natural disasters. The District carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. There were no significant reductions in insurance coverage in 2008 from coverage in the prior year. Settled claims has not exceeded this commercial coverage in the past three fiscal years.

NOTE 9 - LITIGATION AND CLAIMS

There were no judgments, claims or similar contingencies pending against the District at December 31, 2008.

NOTE 10 - COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Donald Chenevert	\$	0
Fred Gueho		0
Drake LaCombe		0
Charles Landry		0
Jackie Johnson		0
		<hr/>
	\$	<u>0</u>

REQUIRED SUPPLEMENTARY INFORMATION

The following Budgetary Comparison Schedule - General Fund is required by GASB 34. The schedule presents the original adopted budget and final budget for the fiscal year and compares the final budget to actual operations of the District.

State Law requires the District to amend its budget when projected actual revenues and surplus is 5% below the adopted budget or when projected actual expenditures exceed 5% of the adopted budget. For the year ended December 31, 2008, actual revenues exceeded budget by 3.80% and budgeted expenditures exceeded actual by 6.49%.

THIS PAGE INTENTIONALLY LEFT BLANK

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes -				
Ad valorem	\$ 294,840	\$ 330,000	\$ 336,066	\$ 6,066
Sales	160,000	160,000	166,617	6,617
Intergovernmental revenues -				
State fire insurance rebate	14,000	14,000	14,494	494
State revenue sharing	5,260	8,400	8,235	(165)
Miscellaneous revenues -				
Interest earned	1,000	5,000	6,678	1,678
Other	0	25,000	30,922	5,922
Total Revenues	475,100	542,400	563,012	20,612
Expenditures				
Current operations -				
Salary - secretary/accountant	3,600	3,600	3,900	(300)
Salary - firemen	160,000	160,000	156,358	3,642
Payroll taxes	12,240	12,240	12,164	
Professional fees	7,400	15,000	15,613	
Tax collector fees	14,000	15,000	14,989	11
Contract labor	0	0	391	(391)
Vehicle maintenance	28,500	40,000	44,025	(4,025)
Firefighting equipment maintenance	9,500	16,000	14,406	1,594
Radios and pagers maintenance	4,500	4,500	1,582	2,918
Building maintenance	25,820	25,820	12,035	13,785
Uniforms and protective gear	12,000	15,000	15,989	(989)
Supplies and small tools	1,000	8,000	7,814	
Medical supplies	6,000	6,000	6,013	(13)
Utilities	12,290	12,290	9,613	2,677
Telephone and internet service	2,600	5,000	5,020	(20)
Insurance	39,365	55,000	54,576	424
Training and fire prevention	44,400	40,000	23,779	16,221
Supplies, postage and printing	5,295	5,500	6,099	(599)
All others	3,475	5,000	5,345	(345)
Capital outlays -				
Land	25,000	25,000	25,000	0
Radios and paging equipment	17,000	20,000	20,376	(376)
Furniture, fixtures, and equipment	1,000	3,000	2,662	338
Rescue equipment	0	2,000	1,975	25
Firefighting equipment and tools	14,500	20,000	17,045	2,955
Fire hydrants and water supply lines	0	7,500	7,500	0
Debt service -				
Principal retirement	55,670	48,627	48,627	0
Interest expense	1,000	7,976	7,976	0
Total Expenditures	506,155	578,053	540,872	37,532
Excess of Revenues (Expenditures)	(31,055)	(35,653)	22,140	57,793
Fund Balances, Beginning of Year	600,000	616,295	616,295	0
FUND BALANCES, END OF YEAR	\$ 568,945	\$ 580,642	\$ 638,435	\$ 57,793

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPLEMENTARY INFORMATION

The following tabulation of Taxable Property Valuations is presented as a budgeting tool and reflects the economic growth of the District. Changes in "Assessed Value" gives an indication of the need for fire protection in the District and "Tax to be Paid by Owner" reflects the expected property tax revenues the District will received based upon the annual tax rolls of the Pointe Coupee Parish Assessor. These trends can assist management in projecting future budgetary considerations.

THIS PAGE INTENTIONALLY LEFT BLANK

FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE
LIVONIA & FORDOCHE, LOUISIANA
TAXABLE PROPERTY VALUATIONS
SINCE INCEPTION
(UNAUDITED)

Year	Mills Levied	Assessed Value	Homestead Exemption	Tax to be Paid by Owner	Tax to be Paid by State	Total Tax
1982	3.00	\$ 22,435,266	\$ 3,845,101	\$ 55,772	\$ 11,537	\$ 67,309
1983	3.00	24,265,476	3,965,946	60,900	11,900	72,800
1984	3.00	23,989,111	4,072,574	59,251	12,220	71,971
1985	3.00	26,956,547	4,181,788	68,326	12,547	80,873
1986	3.34	24,942,091	4,374,197	68,696	14,609	83,305
1987	3.34	25,357,580	4,397,197	70,007	14,686	84,693
1988	3.60	24,155,783	4,203,073	71,830	15,131	86,961
1989	3.60	24,489,906	4,307,573	72,656	15,507	88,164
1990	3.60	23,671,216	4,393,027	69,402	15,815	85,216
1991	3.60	24,546,980	4,468,982	72,281	16,088	88,369
1992	10.72	24,416,469	4,618,835	212,230	49,514	261,744
1993	10.31	24,753,536	4,753,918	206,197	49,015	255,212
1994	10.31	24,879,333	4,876,381	206,231	50,278	256,509
1995	10.31	26,360,828	5,026,631	219,957	51,827	271,783
1996	10.10	27,597,811	5,647,378	221,701	57,041	278,743
1997	10.10	28,848,919	5,882,582	231,962	59,417	291,379
1998	10.91	27,430,758	6,162,933	232,033	67,239	299,273
1999	10.91	29,060,127	6,379,115	247,451	69,598	317,050
2000	10.91	29,529,102	7,089,964	244,813	77,354	322,166
2001	10.91	30,439,289	7,328,324	252,142	79,954	332,096
2002	10.91	23,034,553	7,537,944	251,309	82,241	333,550
2003	10.91	23,800,929	7,731,604	259,670	84,354	344,024
2004	10.91	27,177,135	8,400,680	296,504	91,653	388,157
2005	10.91	29,342,595	8,606,150	320,130	93,895	414,024
2006	10.91	29,810,017	8,795,410	325,229	95,960	421,189
2007	10.91	31,506,615	8,947,680	343,739	97,621	441,360
2008	9.11	38,094,363	9,440,371	347,040	86,002	433,042

THIS PAGE WAS INTENTIONALLY LEFT BLANK

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

The following pages contain a report on internal control and on compliance with laws and regulations and other matters as required by Government Auditing Standards, issued by the Comptroller General of the United States. This report is based solely on the audit of the basic financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

(A Professional Corporation)

Practice Limited to Governmental Accounting, Auditing and Financial Reporting

Phone
OFFICE (225) 937-9735
FAX (225) 638-3669
E-mail gfdcpa@yahoo.com

Office
7663 ANCHOR DRIVE
VENTRESS, LA 70783-4120

Member
AMERICAN INSTITUTE OF CPAs
LOUISIANA SOCIETY OF CPAs
GOVERNMENT FINANCE
OFFICERS ASSOCIATION

Independent Auditor's Report on Internal Control and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with Government Auditing Standards

Board of Commissioners
Fire Protection District No. 4 of the
Parish of Pointe Coupee
Livonia & Fardoche, Louisiana

I have audited the financial statements of the FIRE PROTECTION DISTRICT NO. 4 OF THE PARISH OF POINTE COUPEE, LOUISIANA (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2008, and have issued my report thereon dated August 12, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing my opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is a more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. I consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. (2008-1 and 2008-2)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that all of the deficiencies listed are material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under Louisiana Governmental Audit Guide. (2008-3)

The District's response to the findings identified in my audit are described in the accompanying schedule of findings and responses. I did not audit the District's response and accordingly, I express no opinion on it.

This report is intended for the information and use of the District and its management, the Police Jury of the Parish of Pointe Coupee, New Roads, Louisiana (oversight entity), and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

George F. Delaune, CPA

August 12, 2009

FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2008

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana.
2. Two significant deficiencies were noted during the audit of the basic financial statements which are considered material weaknesses.
3. One instance of noncompliance was disclosed during the audit of the basic financial statements.
4. The District did not expend any federal awards during the year.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

2008-1 Qualifications of Accounting Personnel

Criteria An adequate system of internal control requires an appropriate segregation of duties consistent with control objectives. This deficiency could adversely affect the entity's ability to record, process, and summarize financial data consistent with management's objectives.

Condition The District segregated duties to correct item 2007-1 finding in the prior year audit. The District serves two towns located within the boundaries of the district; thus the accounting records are separated to fund the different requirements of the two volunteer fire departments. Management developed a master chart of accounts with explanations for the year 2008; however, my audit revealed that accounting principles were not consistently applied between the two in the processing of expense invoices.

One person was delegated the duty to make deposits; but my audit revealed that deposits were not properly made or classified according to the chart of accountants adopted by the Board.

Effect Fifty-five (55) journal entries were required to adjust the financial records in order to prepare financial statements of the accounting records that were consistent and comparable.

Recommendation Management should instruct all personnel involved in the accounting functions to apply accounting principles consistently and when there is a question, assign one person to ensure that invoices and receipts are coded correctly.

Response The District has hired a new accountant. The accountant will ensure that accounting principles are applied consistently and will resolve any accounting problems.

2008-2 Safeguarding Accounting Records

Criteria A system of internal control requires that the information in the financial statements are supported by evidential matter, i.e. invoices, receipts, etc.

Condition	Checks are signed only with the support of invoices and all disbursements are reviewed by the Board members at regular meetings. In the conduct of the audit, the new accountant was unable to locate some invoices. Also, deposits could not be verified by transmittals. Some deposits were labeled in the accounting records with the explanation "??? do not have any idea".
Effect	Procedures for the safeguarding of these documents were not being adhered to.
Recommendation	All supporting documents should be made a part of the accounting records and saved for a period of 5 years.
Response	The District has hired a new accountant. The accountant will ensure that all supporting documents are properly filed and saved for a period of 5 years.

C. FINDINGS-COMPLIANCE

2008-3	Delinquent Audit Report
Criteria	Louisiana Revised Statutes requires financial statements of political subdivisions to be filed with the Legislative Auditor within six months of the close of the fiscal year (June 30, 2009).
Condition	All of the problems mentioned in items 2008-1 and 2008-2 affected the completion of the audit within a reasonable time to file the report by June 30, 2009.
Effect	Transactions not supported by documents had to be confirmed and the 55 adjustments had to be reviewed with the new accountant. All accounting personnel are part-time employees or volunteers; thus resolutions of audit questions can not be resolved quickly.
Recommendation	Correct the problems mentioned in 2008-1 and 2008-2 by implementing the recommendations.

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
RESOLUTION OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2008**

2007-1 Lack of Segregation of Duties

Management implemented new procedures to segregate the accounting functions.

2007-2 Qualifications of Accountant

The District still requires the auditor's assistance to prepare the annual financial statements and note disclosures.

2007-3 Delinquent Audit Report

New findings surfaced that delayed the issuance of the audit report.

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2008**

Legislative Auditor - State of Louisiana

The Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana respectfully submits the following corrective action plan for the year ended December 31, 2008.

Name and address of independent public accounting firm:

George F. Delaune, CPA, APC
7663 Anchor Drive
Ventress, LA 70783

Audit period: January 1, 2008 to December 31, 2008

The findings from the December 31, 2008 schedule of findings are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDING - FINANCIAL STATEMENT AUDIT

2008-1 Qualifications of Accounting Personnel

Criteria An adequate system of internal control requires an appropriate segregation of duties consistent with control objectives. This deficiency could adversely affect the entity's ability to record, process, and summarize financial data consistent with management's objectives.

Action Being Taken The District has hired a new accountant. The accountant will ensure that accounting principles are applied consistently and will resolve any accounting problems.

2008-2 Safeguarding Accounting Records

Criteria A system of internal control requires that the information in the financial statements are supported by evidential matter, i.e., invoices, receipts, etc.

Action Being Taken The District has hired a new accountant. The accountant will ensure that all supporting documents are properly filed and saved for a period of 5 years.

2008-3 Delinquent Audit Report

Criteria Louisiana Revised Statutes requires the submission of the annual financial report to be submitted to the Legislative Auditor by June 30th of each year.

Action Being Taken Management believes that the hiring of the new accountant will resolve the findings reported in this years audit and will ensure that the report is filed by June 30.